

# PTT Exploration and Production Public Company Limited

## Conference Call Q2 2017 Financial Results

27 July 2017



# PTTEP

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**Dow Jones  
Sustainability Indices**

In Collaboration with RobecoSAM





Unit : MMUSD

Statement of Income	Q1 17	Q2 17	% QoQ	Q2 16 *	% YoY	6M 17	6M 16 *	% YTD
<b>Total Revenues</b>	<b>1,092</b>	<b>1,032</b>	<b>(5)</b>	<b>1,102</b>	<b>(6)</b>	<b>2,121</b>	<b>2,187</b>	<b>(3)</b>
Sales	1,040	975	(6)	1,061	(8)	2,015	2,106	(4)
Others	52	57	10	41	39	106	81	31
Sales Volume (BOED)	304,108	281,435	(7)	320,657***	(12)	292,709	325,257***	(10)
Sales Price (USD/BOE)	38.00	38.08	0	36.62	4	38.04	35.84	6
<b>Total Expenses</b>	<b>743</b>	<b>812</b>	<b>9</b>	<b>1,028</b>	<b>(21)</b>	<b>1,552</b>	<b>1,957</b>	<b>(21)</b>
<b>Major Expenses:</b>								
Operating Expenses	142	153	8	139	10	295	269	10
Exploration Expenses	1	19	>100	15	27	20	41	(51)
DD&A	420	381	(9)	517	(26)	801	1,035	(23)
Income Tax Expense	(8)	67	>100	55	22	59	85	(31)
(Gain)/Loss on FX	(3)	(11)	(>100)	(7)	(57)	(14)	(13)	(8)
<b>Net Income from Continuing Operations</b>	<b>349</b>	<b>220</b>	<b>(37)</b>	<b>74</b>	<b>&gt;100</b>	<b>569</b>	<b>230</b>	<b>&gt;100</b>
<b>Profit (loss) from Discontinued Operations</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>(100)</b>	<b>-</b>	<b>2</b>	<b>(100)</b>
<b>Net Profit</b>	<b>349</b>	<b>220</b>	<b>(37)</b>	<b>75</b>	<b>&gt;100</b>	<b>569</b>	<b>232</b>	<b>&gt;100</b>
Recurring Net Income	211	167	(21)	154	8	378	270	40
Non-Recurring **	138	53	(62)	(79)	>100	191	(38)	>100

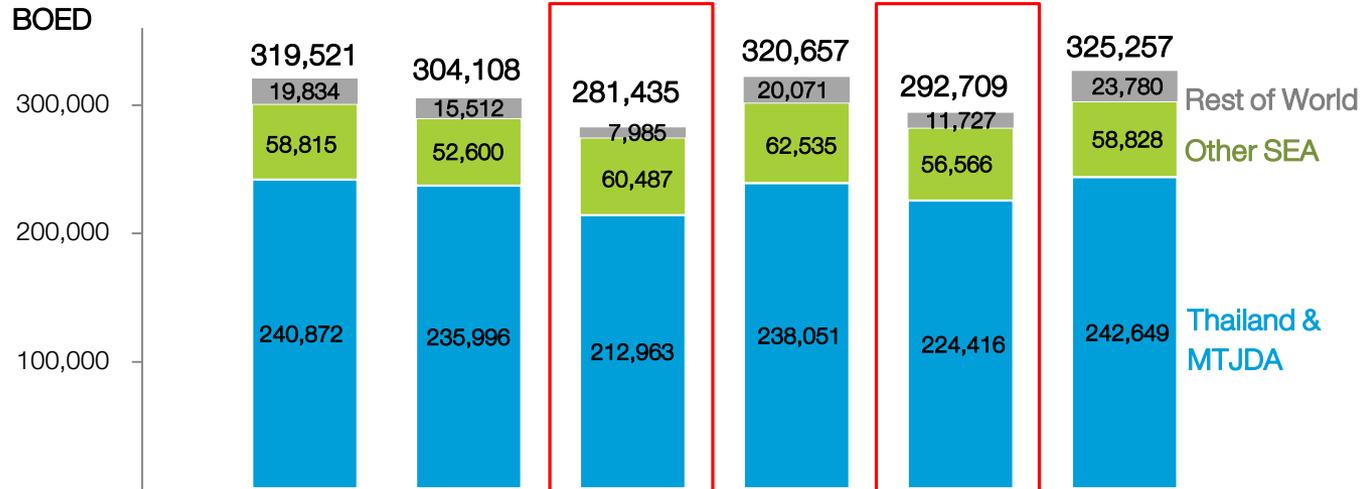
Note: \* Represented

\*\* Includes Gain/(Loss) on FX, Deferred tax from Functional currency, Current Tax from FX Revaluation, Gain/(Loss) from Financial Instruments, Impairment loss on assets and etc.

\*\*\* Sales volume includes discontinued operations



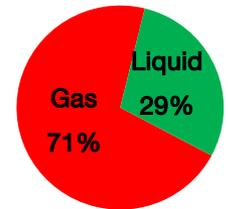
## Sales Volume



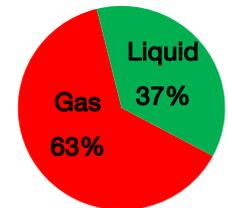
Sales Price	2016*	Q1 17	Q2 17	Q2 16*	6M 17	6M 16*
Gas (\$/MMBTU)	5.60	5.24	5.66	5.59	5.45	5.84
Liquid (\$/BBL)	41.17	52.79	48.19	43.68	50.63	37.61
<b>Weighted Avg. (\$/BOE)</b>	<b>35.91</b>	<b>38.00</b>	<b>38.08</b>	<b>36.62</b>	<b>38.04</b>	<b>35.84</b>
Avg. Dubai (\$/BBL)	41.27	53.03	49.68	43.18	51.38	36.80
Avg. HSFO (\$/BBL) (High Sulphur Fuel Oil)	35.48	48.72	46.80	33.65	47.85	29.16

### Q2 2017 Sales Volume & Revenue By Product

#### Volume Mix



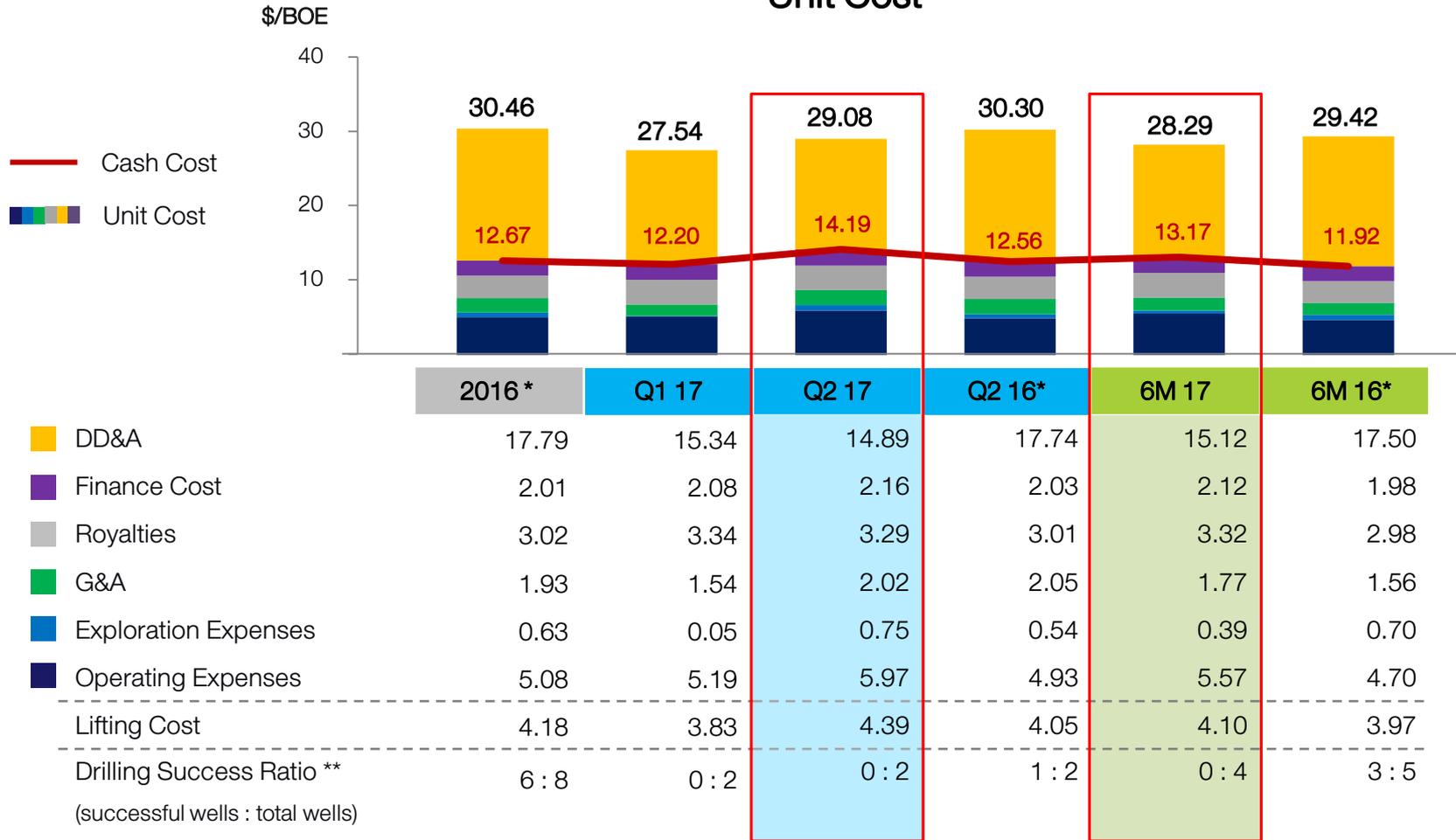
#### Revenue Mix



Note: \* Includes discontinued operations until end of August 2016



## Unit Cost



Note: \* Represented and includes discontinued operations until end of August 2016

\*\* Exploration and Appraisal Wells

The formulas for calculating ratios are provided in the supplementary section for your reference



	Q1 17	Q2 17	Q2 16*	6M 17	6M 16*
Sales Revenue ** (MMUSD)	1,053	993	1,078	2,046	2,139
EBITDA (MMUSD)	776	685	778	1,461	1,567
Net Income (MMUSD)	349	220	75	569	232
Recurring Net Income (MMUSD)	211	167	154	378	270
Earning Per Share (USD)	0.09	0.04	0.01	0.13	0.05
<b>Key Financial Ratios</b>					
EBITDA Margin (%)	74	69	72	71	73
Return on Equity (%) (LTM)	5	6	(8)	6	(8)
Return on Capital Employed (%) (LTM)	5	6	(5)	6	(5)
Return on Equity (%) (LTM, Recurring Net Income)	5	5	5	5	5
Return on Capital Employed (%) (LTM, Recurring Net Income)	5	5	4	5	4

Note: \* Represented

\*\* Sales and revenue from pipeline transportation

The formulas for calculating ratios are provided in the supplementary section for your reference



	Q4 16	Q1 17	Q2 17
Total Assets (MMUSD)	18,891	19,251	18,872
- Cash & cash equivalents ** (MMUSD)	4,022	4,446	4,206
Total Liabilities (MMUSD)	7,505	7,800	7,213
- Interest bearing debt (MMUSD)	2,832	2,863	2,874
Equity (MMUSD)	11,386	11,451	11,659
<b>Key Financial Ratios</b>			
Total Debt to Equity (X)	0.25	0.25	0.25
Net Debt** to Equity (X)	(0.11)	(0.14)	(0.11)
Total Debt to Capital (X)	0.20	0.20	0.20
Total Debt to EBITDA (X)	0.94	0.95	0.98
Net Debt** to EBITDA (X)	(0.40)	(0.53)	(0.46)
EBITDA Interest Coverage (X)	22	22	22

**Credit Ratings :** BBB+ (S&P), Baa1 (Moody's), AAA (TRIS)

**Weighted Average Cost of Debt \*\* :** 4.46%

**Average Loan Life \*\* :** 7.71 years

Note: \* Cash & Cash Equivalents (Cash on hand) include Short-term Investments (Fixed deposit > 3 months)

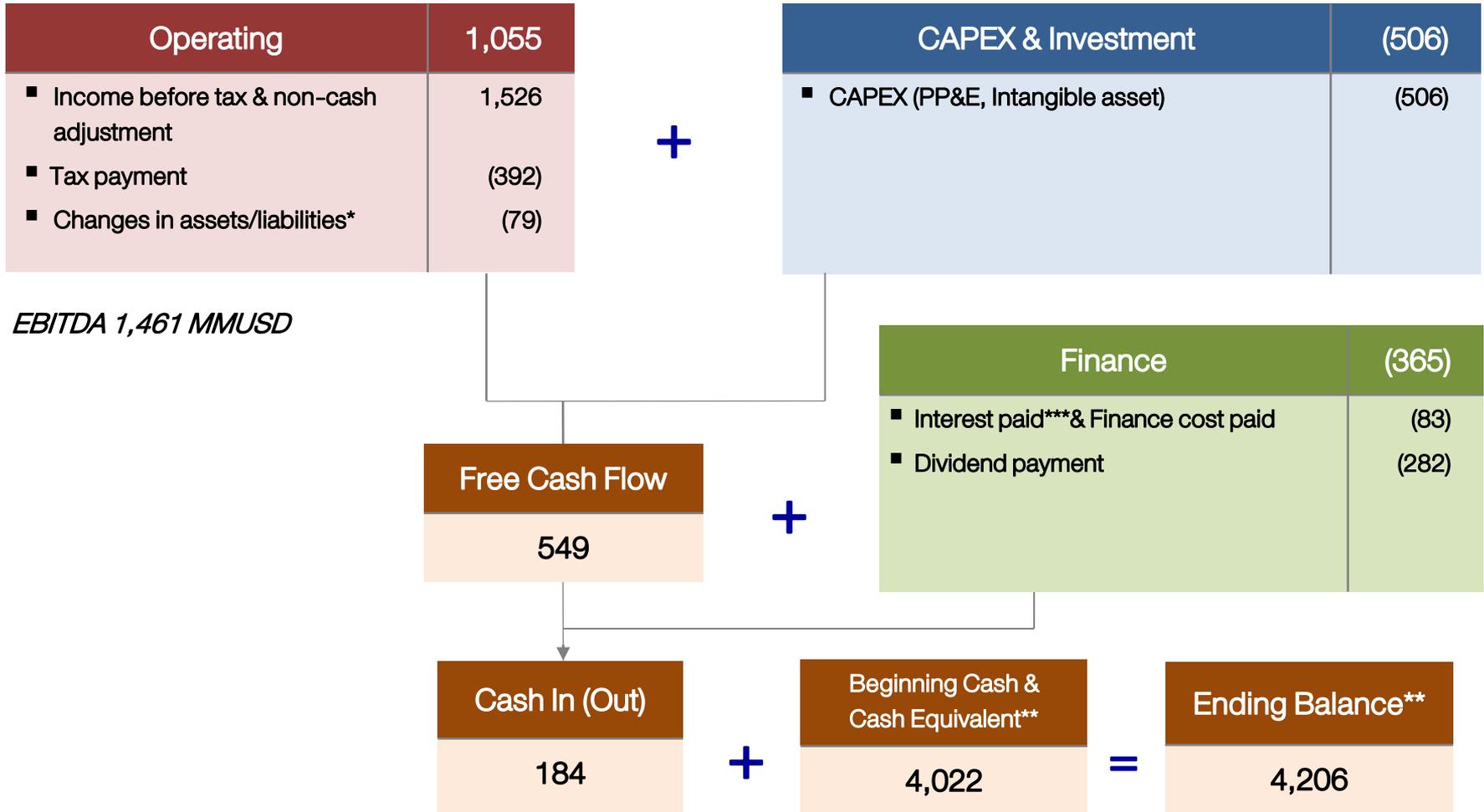
Net Debt = Total Debt less Cash & Cash Equivalents and Short-term Investments

\*\* Excludes hybrid bonds

The formulas for calculating ratios are provided in the supplementary section for your reference



Unit : MMUSD



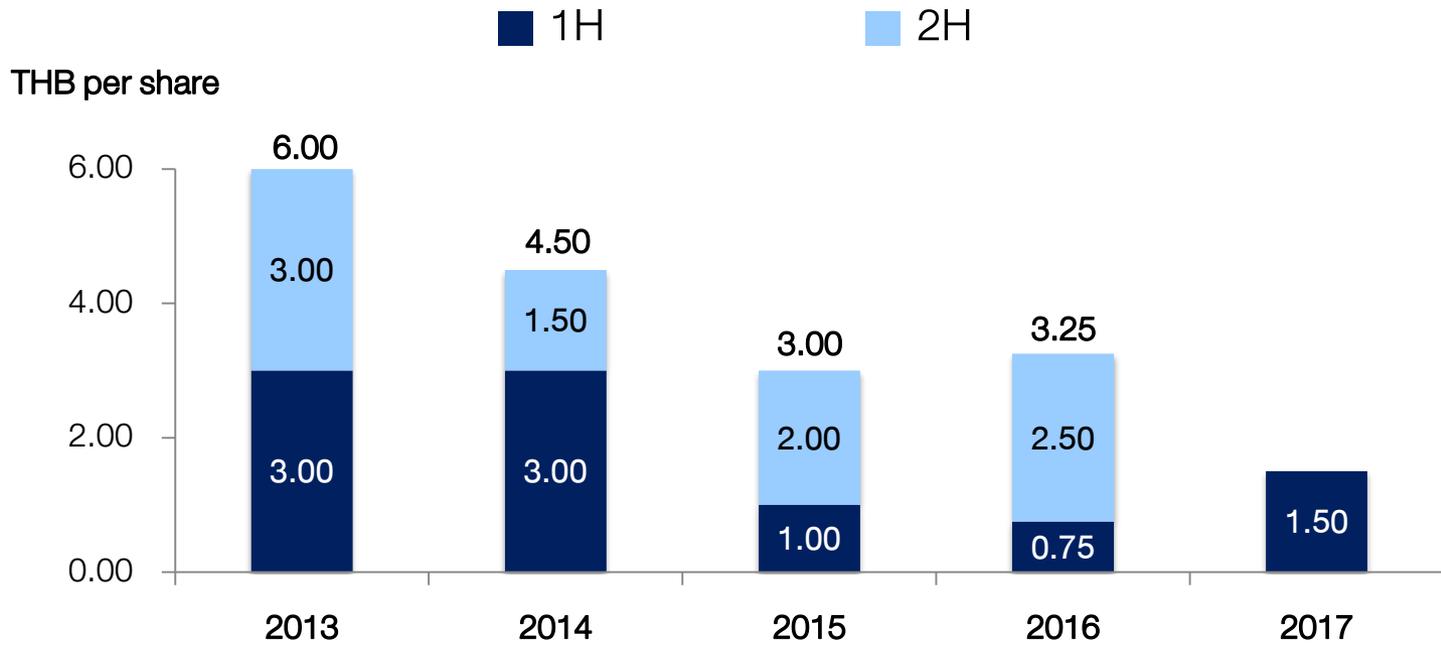
Note: \* Net of foreign exchange rate effect

\*\* Include Short-term investment (Fixed deposit > 3 months)

\*\*\* Net of interest received



## Dividend Payment History (Policy : No Less Than 30% of Net Income)



Payout Ratio (%)	2013	2014	2015	2016	2017
	40	82	N/A	98	31



Financial Outlook	
<b>Average Sales Volume</b> (KBOED)	
Q3 2017	FY 2017
<b>~ 290</b>	<b>~ 300</b>
<b>Average Gas Price</b> (USD/MMBTU)	
Q3 2017	FY 2017*
<b>~ 5.6</b>	<b>~ 5.5</b>
<b>Unit Cost</b> (USD/BOE)	
Q3 2017	FY 2017
<b>~ 30</b>	<b>~ 29</b>
<b>EBITDA margin</b>	
FY 2017	
<b>~ 70 %</b>	

\* Based on FY2017 Dubai oil price at 49 \$/BBL



## Operational Performance

➡ Softened sales volume mainly due to planned shutdown activities

## Cost Reduction

➡ Uphold cost control effort to sustain lean cost structure

## EBITDA Margin

➡ Healthy EBITDA margin maintained by persistent cost control

## Balance Sheet

➡ Robust cash on hand with low gearing ratio



You can reach the Investor Relations team for more information and inquiry through the following channels:



<http://www.pttep.com>



[IR@pttep.com](mailto:IR@pttep.com)



+66 2 537 4000



Ratio	Formula
Lifting Cost (\$/BOE)	$(\text{Operating Exp.} - \text{Transportation Cost} - \text{Stock Variation} - \text{Other expenses not related to lifting}) / \text{Production Volume}$
Cash Cost (\$/BOE)	$(\text{Operating Exp.} + \text{Exploration Exp.} + \text{G\&A} + \text{Royalties} + \text{Finance Cost}) / \text{Sales Volume}$
Unit Cost (\$/BOE)	$(\text{Operating Exp.} + \text{Exploration Exp.} + \text{G\&A} + \text{Royalties} + \text{Finance Cost} + \text{DD\&A}) / \text{Sales Volume}$
Reserves Replacement Ratio	$5\text{-Yr Additional Proved Reserves} / 5\text{-Yr Production Volume}$
Reserves Life Index (Year)	$\text{Proved Reserves} / \text{Production Volume}$
Success Ratio	$\text{Number of wells with petroleum discovery} / \text{Total number of exploration and appraisal wells}$
Sales Revenue	$\text{Sales} + \text{Revenue from pipeline transportation}$
EBITDA	$(\text{Sales} + \text{Revenue from pipeline transportation}) - (\text{Operating expenses} + \text{Exploration expenses} + \text{Administrative expenses} + \text{Petroleum royalties and remuneration} + \text{Management's remuneration})$
EBITDA Margin	$\text{EBITDA} / \text{Sales Revenue}$
Return on Equity	$\text{Trailing-12-month net income} / \text{Average shareholders' equity between the beginning and the end of the 12-month period}$
Return on Capital Employed	$(\text{Trailing-12-month net income} + \text{Trailing-12-month Interest Expenses \& Amortization of Bond Issuing Cost}) / (\text{Average shareholders' equity and average total debt between the beginning and the end of the 12-month period})$
Simple Effective Tax Rate	$\text{Income tax expenses} / \text{Income before income taxes}$
Total debt	$\text{Short-term loans from financial institution} + \text{Current portion of long-term debts} + \text{Bonds} + \text{Long-term loans from financial institution}$
Net debt	$\text{Total debt} - \text{Liquidity}$
Debt to Equity	$\text{Total debt} / \text{Shareholders' equity}$
Net Debt to Equity	$\text{Net debt} / \text{Shareholders' equity}$
Total Debt to Capital	$\text{Total debt} / (\text{Total debt} + \text{Shareholders' equity})$
Total Debt to EBITDA	$\text{Total debt} / \text{Trailing-12-month EBITDA}$
Net Debt to EBITDA	$\text{Net debt} / \text{Trailing-12-month EBITDA}$
EBITDA Interest Coverage Ratio	$\text{Trailing-12-month EBITDA} / \text{Trailing-12-month Interest Expenses \& Amortization of Bond Issuing Cost}$